

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0105P

Use Tax

Calendar Years 1996, 1997, and 1998

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer is a retail merchant audited for compliance in 1999. At audit, it was determined the taxpayer failed to pay tax on fixed assets located in Indiana.

Taxpayer failed to remit use tax on clearly taxable fixed assets purchases although it had a use tax accrual system in place.

1. **Tax Administration** – Penalty

DISCUSSION

Taxpayer's audit report revealed that it failed to remit use tax on fixed assets purchases.

Taxpayer states it files its tax returns and payments in a timely manner and feels IC 6-8.1-6-1 would not be applicable. It has implemented a program to pick up items of the nature included in the audit report. A penalty waiver is requested.

Taxpayer made no attempt to self assess use tax on taxable fixed assets purchases although it is

registered with the State. The assets purchases for which no use tax was accrued or paid amounted to fifteen percent (15%), ninety-two percent (92%) and fifty-nine percent (59%) of the use tax due for calendar years 1996, 1997, and 1998 respectively. Taxpayer did not provide reasonable cause to allow a waiver of the penalty.

FINDING

Taxpayer's protest is denied.

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